

## **Minutes for June 25, 2014**

### **Local Government Advisory Committee (LGAC)**

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#### **Attendees**

Members: Alexandra Johnson (SAO), Bret Brodersen (OFM), Christy Raske (SAO), Tracey Dunlap (WFOA), Milene Henley (WACO), Gordon Heimbürger (WACO), Shawn Hunstock (WFOA), Rob Karlinsey (WCCMA), Sandy Langdon (WFOA), Victoria Lincoln (AWC), Cathy Muhall (WSAC), Stacie Tellers (WFOA)

Conference Call Attendees: Kathy Streissguth (Clark County Fire), Loretta Smith Kelty (WCAA), Vicki Dalton (WACO), Jenny Stettler (Spokane County)

Additional attendees: Debra Burleson (SAO), Sheri Sawyer (SAO), Duane Walz (SAO), Daniel Masterson (SAO), Kelly Collins (WFOA), Shawn Looney (SAO-Contractor), Jim Chase (City of Arlington), Dean Walz (City of Olympia), Teresa Camfield (Town of Lynden), Jerry Pettit (Kittitas County)

#### **Decisions of the State Auditor**

No decisions required by the State Auditor.

#### **Minutes**

The LGAC meeting began at 9:00 am and was held in the Sunset Training Room, Olympia. The meeting was called to order by Christy Raske.

#### **Approval of Minutes from November 2013**

Christy Raske asked if the members had reviewed the minutes and if they are ready for approval. Bret Broderson moved and Milene Henley seconded the motion to approve the minutes. The minutes were unanimously approved.

### **Amendment to LGAC Bylaws**

Christy provided a handout of the LGAC bylaws with the revisions for discussion. The revisions included a change to add a two term limit for members. Milene asked about the reasons for the change. Christy stated the revision was added to encourage more members to participate in the Committee. The LGAC has been fortunate to have members who have participated for multiple terms; however the SAO wants to make sure that others have the opportunity to be involved with the Committee. Sandy Langdon suggested the SAO *recommends* rather than *require* two term limits. Rob Karlinsey agreed with this change since some organizations may not be able to find new representatives. Milene suggested adding language that encourages the associations to seek out new members. The Committee agreed with the suggestions. Christy will revise the bylaws and provide to the Committee for approval at the next meeting.

Another change in the bylaws is the addition of conference call being an acceptable option for attending a meeting. The Committee agreed with the addition since it will also encourage others to participate.

### **Local Government Performance Center (LGPC)**

Sheri Sawyer from the State Auditor's Office presented information about the financial condition tool the Center is developing. The tool will be using the information provided by local governments in their annual reports. Initially local governments will only be able access their own indicators. There were concerns from the members that the SAO would announce state wide that a local government is in fiscal stress. Sheri addressed this by stating that the SAO will not be making any judgments on the results of the indicators. They are only providing information from data that is already available and encourage the governments to decide how to utilize this information.

Kelly Collins added that the SAO wants to provide this information so local governments can be more proactive in addressing financial health issues. The earlier the local governments can have this information, the earlier it can address issues.

Sheri assured the Committee that the LGPC will be communicating with local governments often. The Center is taking baby steps to make sure the project is done correctly. She asked for volunteers for review and testing the preliminary indicators for format, content, etc. The following participants offered help from the entities they represent: Vicki Dalton, Kathy Streissguth, Milene Henley, Stacie Tellers, and Shawn Hunstock.

Sheri also described the free training the LGPC has available for local governments. She encouraged members to review what is available on the SAO website and contact the Center if they are interested.

### **BARS Issues**

Alexa Johnson discussed upcoming BARS changes:

- 2013 was the first year the local governments were using the revised chart of account and, generally speaking, there were no major issues; some accounts will need small revisions like adding more examples or RCW, etc. So far there is one new account added (court reimbursements related to children attorneys). If there be other substantive changes, they will be discussed during the fall LGAC meeting.
- The SAO also started working on aligning GAAP financial statements with Schedule 01 so the data collected on Schedule 01 can be utilized more by the auditors in their audit work and used in the financial health assessment tool discussed by Sheri Sawyer.
- The SAO is still working on improving the web BARS manual by adding *how to* buttons explaining how to print, save, search, etc. the manuals. The improvement will include expanding the overview section and combining some of the repetitive parts of manual.

### **Online Reporting Update**

Duane Walz presented Annual Report data by providing number of filers for FY2011, FY 2012 and FY2013 which illustrated a trend of increased online

filers. Discussion centered on the improvements and the demographics of non-online filers and non-filers. Comments ranged from the filing was easier than past years to improvements are still needed if the goal of 100% filing is to be reached.

### **Pension Update**

Debra Burleson updated the committee on the state's implementation of the new GASB pension standards. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for 2015 and will require all local governments to report their proportionate share of the total pension liability of the state sponsored plans. The state Department of Retirement systems will provide the necessary information to member employers by late 2015. Debra provided a handout that summarizes the changes, gives links to resources and answers some of the most frequently asked questions about the new standards.

### **Recognition of Long-Time Members**

Auditor Troy Kelly arrived and recognized the following members for the long-time membership in the LGAC:

Dean Walz, City of Olympia representing WFOA

Jim Chase, City of Arlington representing WFOA

Teresa Camfield, Town of Lynden representing WFOA

Jerry Pettit-Kittitas, County Auditor representing WACO

Troy thanked them for their contributions to the Committee over the years. The Office appreciates their dedication to the LGAC, assistance in the BARS restructure, and assistance in coordinating trainings. Jessica Beaufile from the SAO communications took some pictures that will be shared in SAO social media.

Meeting adjourned at 11:30 a.m.